

**SSI**  
**SUPER STORE**  
I N D U S T R I E S

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July 31, 2008

*Fairfield Dairy Division*  
199 Red Top Road  
Fairfield, CA 94534  
P.O. Box 2898  
Fairfield, CA 94533  
707/864-0502  
FAX 707/864-2734

A.G. Kawamura, Secretary  
California Department of Food and Agriculture  
1220 N Street  
Sacramento, CA 95814

*Turlock Dairy Division*  
2600 Spengler Way  
Turlock, CA 95380  
209/668-2100  
FAX 209/668-1903

Dear Secretary Kawamura:

There appears to be a drive from the Producer side of the California Dairy industry to raise the price of Class 1 milk and possibly Class 2 and 3 also. We urge the Department to not consider a hearing to evaluate such increases at this time for the following reasons:

*Dry Grocery Division*  
16888 McKinley Avenue  
P.O. Box 549  
Lathrop, CA 95330  
209/858-2010  
FAX 209/858-5675

*Marketing & Merchandising Division*  
16888 McKinley Avenue  
P.O. Box 549  
Lathrop, CA 95330  
209/858-2010  
FAX 209/858-5675

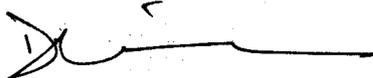
*Frozen Food Division*  
16888 McKinley Avenue  
P.O. Box 549  
Lathrop, CA 95330  
209/858-2010  
FAX 209/858-5675

1. Class 1 prices are already at very high levels, even with the decrease that is effective on August 1<sup>st</sup> putting the northern California Class 1 price at \$19.79 per cwt, the average prices are much higher than they have been over the last ten years.
2. The Class 1 percentage of total milk usage has consistently been decreasing over the last several years. Increases in Class 1 prices will further cause consumers to seek non-dairy alternatives.
3. Any increases in milk prices because of higher farm costs need to be borne by all classes of milk, not just Class 1.
4. There is pressure to reduce the Class 1 price in Nevada. If this happens, California producers and processors will be at a competitive disadvantage. There is already a significant amount of raw and packaged milk coming into California from Nevada. Any increase in California prices will exacerbate that issue and further erode Class 1 milk purchased from California producers.

Please consider these important factors and not grant a petition for a hearing to increase Class 1 prices at this time.

Sincerely,

SUPER STORE INDUSTRIES  
Fairfield Dairy Division



Dennis Brimhall  
Controller

cc. Kelly Krug, David Ikari